STANDARD & POOR'S

PUBLIC FINANCE

Colorado

Credit Profile		
US$500. mil General Fund Tax & rev antic nts ser 2007A due 06/27/2008		
Short Term Rating	SP-1+	New

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RatingsDirect Publication Date
June 21, 2007

Rationale

The 'SP-1+' short-term rating on Colorado's general fund TRANs series 2007A reflects the state's:

- Good 1.49x cash coverage of notes at maturity by the state's projected general fund cash balances;
- Strong 5.57x cash coverage including the state's projected other nongeneral fund internally borrowable resources; and
- Strong long-term general creditworthiness ('AA-' lease rating, stable outlook), bolstered by recent increases in general fund tax revenues.

The TRANs are secured by unrestricted general fund revenues available for appropriation attributable to the fiscal year ending June 30, 2008, and by legally borrowable resources from other state funds. The note resolution requires the state treasurer to deposit funds in a pledged note payment account in the state's general fund in such amounts as is anticipated to cause the balance on June 15, 2008, to equal debt service due on the June 27, 2008, maturity date. If the balance on June 15 is less than required, the state treasurer must deposit all available general fund revenues thereafter received and available to the note payment account and borrow from other available state funds to meet any shortfall.

The 2007A TRANs, which are smaller than the $700 million 2005A and $650 million 2006A TRANs, will be used to meet state cash flow needs during fiscal 2008.

The state's cash flow forecast is based on the state office of planning and budgeting's revised June 20, 2007, quarterly update.

It projects a positive general fund ending cash balance of $257.4 million at fiscal year-end June 30, 2008, after repayment of the TRANs, yielding 1.49x cash coverage by projected general fund balances. The state also projects that other internally borrowable nongeneral fund moneys will total $2.7 billion at fiscal year-end 2008, about the same as at fiscal-year end 2007. The largest portion of projected internally borrowable funds consists of a higher education fund, at $737.7 million as of June 30, 2008, up $668.6 million the previous year. The next largest other borrowable fund is projected to be the capital construction fund with $544.2 million at fiscal year-end 2008, followed by state and local severance tax funds at $246.9 million. Total projected general fund and nongeneral fund available cash on a combined basis is projected to cover the 2007A TRANs at maturity by a strong 5.57x.

The latest (June 2007) state quarterly forecast continues to anticipate strong revenue growth including a 4.5% increase in fiscal 2008, down slightly from the 7.0% forecasted for fiscal 2007. State revenues have been bolstered by the approval of Referendum C by state voters in November 2005, which went into effect upon passage. Referendum C modified the state's existing Taxpayer Bill of Rights (TABOR) constitutional revenue cap. The measure allows the state to retain and spend all TABOR revenue surpluses for five years and sets a new TABOR spending cap thereafter at the highest level of the preceding five years. The state estimates that this will allow for the retention of an additional $1.3 billion in fiscal 2008 that would otherwise have had to be returned to taxpayers under TABOR. While Referendum C raises revenues that can be kept in the general fund, matching additional spending by the legislature will likely lower actual year-end general fund cash balances over the next few years because excess TABOR revenues will no longer have to be held over as a reserve to be returned to taxpayers in a subsequent year.

The state's cash flow forecasts have been close to actual results since the 2001 recession, when state revenues came in well below projections. The state estimates its series 2006A TRANs will be covered 1.42x by actual fiscal year-end June 30, 2007, general fund cash balances and by all internally borrowable resources—just below the state's original projection of 1.57x general fund cash coverage and 5.44x by all available cash resources.

The state has historically held high levels of other internally borrowable funds. The lowest combined balance of nongeneral fund available borrowable resources since September 1991 has been $532 million, and other borrowable resources reached $3.3 billion at the beginning of July 2001. Since 2001 the level of other available funds' cash at year-end has generally stayed above $2 billion.

Note repayment account investments will be commingled with the general fund as a sub-account. State investment practices remain conservative, although the state does participate in fully collateralized securities lending and can enter into interest rate swap agreements in connection with the investment of note proceeds. The state has two investment pools: one with short-term "cash" investments and another with long-term investments. The weighted average maturity of the treasurer's short-term treasury cash pool was just 47 days as of March 31, 2007, and consisted of high-quality investments. The cash pool held a market value of $2.125 billion, consisting of 23.0% in federal agencies, 63.0% in CP, 11.9% in money market funds, and 2.1% in certificates of deposit. The longer term treasury pool had a market value of $2.799 billion as of March 31, 2007, and holds capital funds and other funds with longer term investment needs. The treasury pool had an average maturity of 24.5 months, with 82.9% of 'AAA' quality, primarily in asset-backed securities, and 99.8% of 'A' or better. Both pools are marked to market. As of March 31, 2007, the cash pool's book value was the same as the market value and the treasury pool's book value was $2.817 billion—slightly above market value.

Additional parity notes are permitted, although the state does not anticipate issuing more general fund cash flow notes. The state does plan to issue $500 million of separately secured state notes, in two separate sales, to finance local school cash flow. The education notes will be secured by a pledge of revenues from school districts in the pool, a state general fund pledge to pay interest on the school notes, and restricted state nongeneral funds available to support education notes that would be legally unavailable as liquidity for the general fund TRANs.

Ratings Detail (As Of 21-Jun-2007)		
Colorado General Fund Tax & rev antic nts ser 2007A due 06/27/2008		
Short Term Rating	SP-1+	New Rating

STANDARD
&POOR'S

One Market
Steuart Tower, 15th Floor
San Francisco, CA 94105-1000
tel 415 371-5004
reference no.: 846248

June 29, 2007

State of Colorado
140 State Capitol
Denver, CO 80203
Attention: Ms. Cary Kennedy, Colorado State Treasurer

Re: ***US$150,000,000 Colorado, Tax & Revenue Anticipation Notes, (Education Loan Program), Series 2007A, dated: Date of Delivery, due: August 5, 2008***

Dear Ms. Kennedy:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "SP-1+". Standard & Poor's views the outlook for this rating as not meaningful. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on

Ms. Cary Kennedy
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June 29, 2007

CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

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Sincerely yours,

Standard & Poor's Ratings Services
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Standard & Poor's/cp

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enclosures
cc: Mr. Charles Scheibe
Mr. Terry Casey

The McGraw-Hill Companies

STANDARD
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One Market
Steuart Tower, 15th Floor
San Francisco, CA 94105-1000
tel 415 371-5004
reference no.: 874021

December 11, 2007

State of Colorado
140 State Capitol
Denver, CO 80203
Attention: Ms. Cary Kennedy, Colorado State Treasurer

Re: ***US$310,100,000 Colorado, Tax & Revenue Anticipation Notes, (Education Loan Program), Series 2007B, dated: Date of Delivery, due: August 5, 2008***

Dear Ms. Kennedy:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "SP-1+". Standard & Poor's views the outlook for this rating as not meaningful. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on

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55 Water Street
New York, NY 10041-0003

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Sincerely yours,

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a division of The McGraw-Hill Companies, Inc.

Standard & Poor's/KMW

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enclosures
cc: Mr. Charles Scheibe
Mr. Terry Casey

STANDARD
&POOR'S

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Applicable To
U.S. Public Finance Ratings

Request for a rating. Standard & Poor's issues public finance ratings for a fee upon request from an issuer, or from an underwriter, financial advisor, investor, insurance company, or other entity, provided that the obligor and issuer (if different from the obligor) each has knowledge of the request. The term "issuer/obligor" in these Terms and Conditions means the issuer and the obligor if the obligor is different from the issuer.

Agreement to Accept Terms and Conditions. Standard & Poor's assigns Public Finance ratings subject to the terms and conditions stated herein and in the rating letter. The issuer/obligor's use of a Standard & Poor's public finance rating constitutes agreement to comply in all respects with the terms and conditions contained herein and in the rating letter and acknowledges the issuer/obligor's understanding of the scope and limitations of the Standard & Poor's rating as stated herein and in the rating letter.

Fees and expenses. In consideration of our analytic review and issuance of the rating, the issuer/obligor agrees to pay Standard & Poor's a rating fee. Payment of the fee is not conditioned on Standard & Poor's issuance of any particular rating. In most cases an annual surveillance fee will be charged for so long as we maintain the rating. The issuer/obligor will reimburse Standard & Poor's for reasonable travel and legal expenses if such expenses are not included in the fee. Should the rating not be issued, the issuer/obligor agrees to compensate Standard & Poor's based on the time, effort, and charges incurred through the date upon which it is determined that the rating will not be issued.

Scope of Rating. The issuer/obligor understands and agrees that (i) an issuer rating reflects Standard & Poor's current opinion of the issuer/obligor's overall financial capacity to pay its financial obligations as they come due, (ii) an issue rating reflects Standard & Poor's current opinion of the likelihood that the issuer/obligor will make payments of principal and interest on a timely basis in accordance with the terms of the obligation, (iii) a rating is an opinion and is not a verifiable statement of fact, (iv) ratings are based on information supplied to Standard & Poor's by the issuer/obligor or by its agents and upon other information obtained by Standard & Poor's from other sources it considers reliable, (v) Standard & Poor's does not perform an audit in connection with any rating and a rating does not represent an audit by Standard & Poor's, (vi) Standard & Poor's relies on the issuer/obligor, its accountants, counsel, and other experts for the accuracy and completeness of the information submitted in connection with the rating and surveillance process, (vii) Standard & Poor's undertakes no duty of due diligence or independent verification of any information, (viii) Standard & Poor's does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information, (ix) Standard & Poor's may raise, lower, suspend, place on CreditWatch, or withdraw a rating at any time, in Standard & Poor's sole discretion, and (x) a rating is not a "market" rating nor a recommendation to buy, hold, or sell any financial obligation.

Publication. Standard & Poor's reserves the right to publish, disseminate, or license others to publish or disseminate the rating and the rationale for the rating unless the issuer/obligor specifically requests that the rating be assigned and maintained on a confidential basis. If a confidential rating subsequently becomes public through disclosure by the issuer/obligor or a third party other than Standard & Poor's, Standard & Poor's reserves the right to publish it. Standard & Poor's may publish explanations of Standard & Poor's ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Standard & Poor's ability to modify or refine Standard & Poor's criteria at any time as Standard & Poor's deems appropriate.

Information to be Provided by the Issuer/obligor. The issuer/obligor shall meet with Standard & Poor's for an analytic review at any reasonable time Standard & Poor's requests. The issuer/obligor also agrees to provide Standard & Poor's promptly with all information relevant to the rating and surveillance of the rating including information on material changes to information previously supplied to Standard & Poor's. The rating may be affected by Standard & Poor's opinion of the accuracy, completeness, timeliness, and reliability of information received from the issuer/obligor or its agents. Standard & Poor's undertakes no duty of due diligence or independent verification of information provided by the issuer/obligor or its agents. Standard & Poor's reserves the right to withdraw the rating if the issuer/obligor or its agents fails to provide Standard & Poor's with accurate, complete, timely, or reliable information.

Standard & Poor's Not an Advisor, Fiduciary, or Expert. The issuer/obligor understands and agrees that Standard & Poor's is not acting as an investment, financial, or other advisor to the issuer/obligor and that the issuer/obligor should not and cannot rely upon the rating or any other information provided by Standard & Poor's as investment or financial advice. Nothing in this Agreement is intended to or should be construed as creating a fiduciary relationship between Standard & Poor's and the issuer/obligor or between Standard & Poor's and recipients of the rating. The issuer/obligor understands and agrees that Standard & Poor's has not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the U.S. Securities Act of 1933.

Limitation on Damages. The issuer/obligor agrees that Standard & Poor's, its officers, directors, shareholders, and employees shall not be liable to the issuer/obligor or any other person for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the rating or the related analytic services provided for in an aggregate amount in excess of the aggregate fees paid to Standard & Poor's for the rating, except for Standard & Poor's gross negligence or willful misconduct. In no event shall Standard & Poor's, its officers, directors, shareholders, or employees be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, legal fees, or losses (including, without limitation, lost profits and opportunity costs). In furtherance and not in limitation of the foregoing, Standard & Poor's will not be liable in respect of any decisions made by the issuer/obligor or any other person as a result of the issuance of the rating or the related analytic services provided by Standard & Poor's hereunder or based on anything that appears to be advice or recommendations. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. The issuer/obligor acknowledges and agrees that Standard & Poor's does not waive any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Term. This Agreement shall terminate when the ratings are withdrawn. Notwithstanding the foregoing, the paragraphs above, "Standard & Poor's Not an Advisor, Fiduciary, or Expert" and "Limitation on Damages", shall survive the termination of this Agreement or any withdrawal of a rating.

Third Parties. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary to this Agreement or to the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Complete Agreement. This Agreement constitutes the complete agreement between the parties with respect to its subject matter. This Agreement may not be modified except in a writing signed by authorized representatives of both parties.

Governing Law. This Agreement and the rating letter shall be governed by the internal laws of the State of New York. The parties agree that the state and federal courts of New York shall be the exclusive forums for any dispute arising out of this Agreement and the parties hereby consent to the personal jurisdiction of such courts.